



# Procurement Code

Version 1.0

# Sign Off History

Version	Name	Title	Comment	Date of Sign Off
V 1.0	Vice Chancellors Group (VCG)		New Version	April 20
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## 1. Introduction

### 1.1. Executive Summary

- 1.1.1. This Procurement Code sets the mandatory rules on behalf of the University of Central Lancashire and its wholly owned subsidiary companies (together in this Procurement Code "the University"), including all staff of the University, and any persons or organisations that are responsible for supplier selection and awarding, managing and monitoring procurement contracts on behalf of the University.
- 1.1.2. The Procurement Code shall be followed in the conduct of all procurement and the subsequent contract management activity of procurement contracts.
- 1.1.3. This document is designed to ensure that the University achieves best value from procurement activities, risks are minimised, and procurement complies with the University's own Financial Regulations, the Public Contracts Regulations 2015 (PCR 2015) where applicable, the Concession Contracts Regulations 2016 (CCR 2016) and other relevant legislation.
- 1.1.4. The Procurement Code applies to concession contracts where the contractor has the right to exploit the works or services (for profit) together with some form of payment as well as taking on risks in the provision of those works or services.
- 1.1.5. For the avoidance of doubt, the Procurement Code applies to externally funded or collaborative procurements where the University is the contracting authority conducting the procurement and signing the contract e.g. with other Universities etc.
- 1.1.6. Overarching principles of the Procurement Code are that:
  - Best Value (which may not necessarily be the lowest price) shall be obtained for all works, goods and services (including consultancy)
  - All procurements shall take place in an open and transparent manner
  - Fairness shall be demonstrated, with all potential and existing suppliers being treated equally
  - All actions are compliant with applicable UK and EU Legislation
  - Responsible Procurement objectives, see 3.7 (including where possible social, economic and environmental characteristics) are included in all strategic procurements, see 3.10.

## 2. Operating Model

### 2.1. Responsibility & Application of the Code

- 2.1.1 The overarching responsibility for procurement is with the Director of Procurement, who is accountable to the Chief Finance Officer. Any interpretations of this Procurement Code will be clarified by the Director of Procurement, subject to any decisions regarding legal issues or the interpretation of legal matters or terms, which shall rest with the University Secretary and General Counsel.
- 2.1.2. All staff involved in the procurement process shall ensure they are aware of and fully comply with all relevant policies and processes.
- 2.1.3 If a member of staff finds themselves in a situation of potential, perceived or actual conflict of interest, they must take the necessary action to disclose it formally to either the Director of Procurement or appropriate Sourcing Manager.

### 2.2. Procurement & Commercial Services

- 2.2.1. Procurement & Commercial Services supports the University in procuring goods, works and services (including consultancy) at the best possible value, whilst ensuring compliancy with relevant legislation and University policies.
- 2.2.2. It is recognised that effective procurement is fundamental in supporting the delivery of the University's overall financial strategy and delivery of its vision and objectives.
- 2.2.3. Procurement & Commercial Services employs a strategic sourcing approach to procurement that provides leadership, commercial insight, assurance, policy and governance to the procurement activity of the University. Procurement & Commercial Services has adopted a Category Management approach set out in 0.
- 2.2.4. Procurement & Commercial Services will aim to aggregate spend and contracts for goods and / or services over multiple years to ensure the University can drive maximum value from the procurement and contracting activity. The contract term will therefore be determined by Procurement & Commercial Services in conjunction with Faculties / Schools and Services. Also see 3.3
- 2.2.5. Procurement & Commercial Services' primary role is to ensure that the University's procurement activity provides value for money (VFM) and meets the functional needs of the University. Through strong relationship management they ensure that the University's suppliers and partners deliver high standards of performance, as well as continuous improvement and innovation within the VFM framework. The VFM framework is the overall operating model through which the University delivers value for money and is made up of the Procurement Strategy, Procurement Code, Responsible Procurement Code, Contracts Management Framework and other associated best practice policies and processes that the University adopts.

## 2.3. Category Management

- 2.3.1. The University has adopted Category Management, which is a process led by Procurement & Commercial Services, for sourcing activity over £50,000 excluding VAT.
- 2.3.2. 'Category Management' is the process of managing the University's spend through segmenting expenditure into discrete groups of similar or related products and services called categories. The categories are based on the supply market and how it is influenced by procurement strategies.
- 2.3.3. Spend is then analysed to determine why we buy what we do, how we buy it, from whom and with what results. The categories are then managed through a continuous and systematic process to develop and implement sourcing strategies which deliver maximum value whilst managing risk.
- 2.3.4. The major spend categories as below are mapped to a UCLan category tree and further, where required, to the Higher Education Procurement Classification system (HEProc) and United Nations Standard Products and Services Code® (UNSPSC®)

<b>Major Spend Categories</b>
Facilities Management & Construction
Information, Communications & Technology
Professional Services
Business Operations
Travel
Academic Supplies

- 2.3.5. The Strategic Sourcing team within Procurement & Commercial Services includes a number of specialist Sourcing Managers who are the commercial leads and provide expert knowledge and advice. All Sourcing Managers are aligned to the Major Spend Categories as per 2.3.4 in order to deliver all procurements with an aggregated value over £50,000.
- 2.3.6. For all procurements above £50,000 there should be an agreed and documented procurement strategy which is approved as per 3.14.13.10.
- 2.3.7. For all procurements above £150,000 the Project Lead in conjunction with the Sourcing Manager will comply with the procurement assurance process as per 2.11.

## 2.4. Category Management Toolkit

- 2.4.1. The Category Management Toolkit is to be used for all strategic procurements with a total contract value over £50,000. The principles will be built into the workflow within the University's eSourcing portal, known as UCLan eSourcing.

[Visit the UCLan eSourcing portal here](#)

## 2.5. Spend Definitions

- 2.5.1. **Works** are defined as the construction, demolition, transformation or repair of a building or location. This will include facilities professional services such as; architectural services and mechanical & electrical engineering.

- 2.5.2. **Goods and Services** are defined as the provision of tangible items (goods) or intangible routine actions (services) that are required to fulfil a need.

There can be confusion with some services being considered as consultancy. For the purpose of the Procurement Code, the difference between consultancy and service provision is that service providers are undertaking work for the University, whereas consultants are advising. To give some context examples of service provision may include, but is not limited to, the provision of models for fashion shows, specialist removers, performers, training provision, design work and provision of medical reports.

- 2.5.3. **Consultancy Services** are defined as the provision of advisory services including strategy, structure, management or operations of an organisation. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited. Consultancy Services may include the identification of options with recommendations, or assistance with (but not necessarily the delivery of) the implementation of solutions.

- 2.5.4. If a procurement contract includes a combination of the spend types set out in 0 and the separate elements cannot be identified, then the dominant component would normally apply for the purpose of contracting. In such circumstances staff shall seek the advice from Procurement & Commercial Services.

## 2.6. Procurement Development

- 2.6.1. The Procurement Development team within Procurement & Commercial Services provides the framework within which procurement and contract management activity is performed, including the development and implementation of policy, process, governance, performance and systems.

- 2.6.2. Procurement Development supports the procure to pay (P2P) activity of the University, working closely with Accounts Payable, advising on all aspects of the procurement cycle and the use of Business World for requisitioning through to goods receipting. Procurement Development is also supported by the Financial Services, Systems Support and Development team.



2.6.3. Procurement Development is accountable for Catalogue Management including P2P strategies including the development and management of content for catalogues in Business World.

2.6.4. Procurement Development is accountable for the management of the University Purchasing Card Programme and Corporate Card Programme.

## 2.7. eSourcing Portal

2.7.1. UCLan eSourcing is the University's 'end to end' eSourcing portal which encompasses spend analysis, strategic sourcing, evaluation, contract management and supplier performance management in an integrated portal.

[Visit the UCLan eSourcing portal here](#)

## 2.8. Staff

2.8.1. Individual staff within the University are responsible for sourcing activity under £50,000 and shall ensure they are aware and comply with all relevant policies and processes, including but not limited to this Procurement Code.

2.8.2. Procurement & Commercial Services will publish guidance for procuring below £50,000

2.8.3. Contract management responsibilities are outlined at 3.16.

2.8.4. If staff are unsure of best practice, guidance must be sought from Procurement & Commercial Services.

2.8.5. Staff with accountability for the delivery of goods, services and works will engage Procurement & Commercial Services to lead procurements on their behalf over £50,000. Staff will retain accountability for the delivery of goods, services and works, ensuring that the procurement meets their business needs,

## 2.9. Codes of Conduct

2.9.1. The University requires all members of staff involved in procurement to behave with the highest levels of probity in accordance with the Bribery Act 2010, the Procurement Code of Conduct detailed in the University's Financial Regulations and the University's Anti Bribery Policy.

2.9.2. No member of staff of the University may be engaged in a supply arrangement to the University, either directly under contract or as a sub-contractor.

## 2.10. Receiving Gifts or Hospitality

2.10.1. The University requires all members of staff involved in procurement to comply with the overarching University policy relating to receiving gifts or hospitality detailed in the University's Financial Regulations. Failure to adhere to these conditions may result in disciplinary action.

## 2.11. Procurement Assurance

- 2.11.1. The Procurement Assurance Group (“PAG”) is the forum which ensures that due diligence and appropriate communication takes place throughout the procurement process.
- 2.11.2. PAG shall advise, recommend and act as a critical friend for all procurement activity for University procurements with a combined whole life value greater than £150,000 (exclusive of VAT).
- 2.11.3. PAG shall review procurement activities at two stages (or “Gates”) for all procurements in excess of £150,000:
  - 2.11.3.1. Gate 1 is a formal review of the procurement strategy once the Project Leads wishes to formally go to market, and
  - 2.11.3.2. Gate 2 is a formal review of the contract award proposals once the procurement strategy has been delivered, has been evaluated and the Project Lead wishes to award a contract.
- 2.11.4. The members of PAG will recommend to the appropriate VCG member, whether the procurement strategy or contract award should proceed to approval.
- 2.11.5. Peer Review
  - 2.11.5.1. Peer reviews shall be led by the Project Lead in accordance with the agreed procurement timetable for any procurements that are subject to approval by the Procurement Assurance Group.
  - 2.11.5.2. A peer review is an opportunity for those who have an understanding or experience of the requirements of the procurement to provide constructive challenge. A peer review is the evaluation of work by one or more people. It provides a form of self-regulation by qualified members of the University and is used to maintain quality standards, improve performance, and provide credibility.
  - 2.11.5.3. The peer review should be proportionate to the value and complexity of the procurement and should ensure that the procurement is compliant with the Procurement Code; meets the project objectives and supports the wider University objectives such as the University’s strategy. Peer reviews may include, but are not limited to: electronic circulation, programme boards, team meetings or executive meetings.

## 2.12. Procurements for Research and Knowledge Transfer

- 2.12.1. Procurements in connection with the University’s research and knowledge transfer activity must ensure compliance with all relevant legislation, the University’s Financial Regulations and Procurement Code. Also, where appropriate, the Public Contracts

Regulations 2015 (PCR 2015) where applicable, the Concession Contracts Regulations 2016 (CCR 2016) and other relevant legislation.

- 2.12.2. Where a proposed procurement in support of the University's research and knowledge transfer activity conflicts with 2.12.1, advice should be sought from the Director of Procurement.
- 2.12.3. All procurements in support of the University's research and knowledge transfer activity require a contract to be agreed with the supplier. The drafting and negotiation of such contract terms will be the responsibility of Legal and Governance, in collaboration with Procurement & Commercial Services where appropriate.

### 3. Procurement Operations

#### 3.1. Planning

- 3.1.1. Faculties, Schools and Professional Services will be asked to provide a forecast every year, for the following 3 financial years, for all expected procurements above £50,000 to enable Procurement & Commercial Services to plan and allocate resources.

#### 3.2. Corporate Contracts

- 3.2.1. The University has awarded a range of Corporate Contracts for goods, services and in some cases works that are commonly required. The use of these Corporate Contracts is mandatory, and compliance will be monitored and reported.
- 3.2.2. Corporate Contracts may be accessible through a range of procure to pay (P2P) solutions. These solutions may include but will not be limited to catalogues via Business World, purchase requisitions via Business World and supplier portals. The P2P route to be followed will be communicated by Procurement & Commercial Services.
- 3.2.3. Members of staff must seek advice from Procurement & Commercial Services if unsure if a Corporate Contract is available and / or which P2P route should be followed.

#### 3.3. Estimating the Total Contract Value

- 3.3.1. Members of staff should calculate a genuine pre-estimate of the total contract value excluding Value Added Tax. This should be for the whole of the predicted contract period which must include any provisions for extensions. If the terms of a contract are yet to be established or uncertain, then a 4-year contract should be assumed for the purposes of estimating the contract value.
- 3.3.2. Members of staff must not deliberately sub-divide or disaggregate procurements for the purpose of avoiding thresholds.

#### 3.4. Standard Procurement Documents

- 3.4.1. Procurement & Commercial Services are responsible for developing and maintaining standard procurement documents to be used when conducting tenders or requests for quotations.
  - 3.4.1.1. The standard documents/templates contained within the [University's eSourcing portal](#) , known as UCLan eSourcing, shall be used for all new strategic procurements.
  - 3.4.1.2. Procurement & Commercial Services will make available standard templates for operational procurement activity on the intranet. These shall be used for all new operational procurements.

### **3.5. Terms & Conditions of Contract**

- 3.5.1. The University norm will be to only use and accept its own standard terms and conditions. The standard terms and conditions of contract can be located on the [University's eSourcing portal](#), known as UCLan eSourcing, and the University's intranet; these terms are updated in consultation with Legal and Governance and maintained by Procurement & Commercial Services. Any variation to the standard terms and conditions will require express authorisation and advice from Procurement & Commercial Services, who will seek advice from Legal and Governance.

### **3.6. Evaluation Criteria**

- 3.6.1. The standard evaluation criteria for any procurement is weighted 60:40 to Cost: Quality respectively. Any deviation from this ratio requires the Director of Procurement's approval in conjunction with the Chief Finance Officer, by submitting a waiver request.
- 3.6.2. This rule to obtain a waiver request will not apply to procurements where the total contract value is below £50,000 and the price criteria is varied.

### **3.7. Responsible Procurement**

- 3.7.1. For all contracts with a total contract value of £150,000 or above the University requires a minimum of 5% of the total weighting of the tender evaluation score to be allocated for Responsible Procurement. This will be derived from the quality section of the evaluation and will include social, economic and environmental characteristics (example: quality has 40% overall weighting Social Value will be 5% of that weighting allowing 35% for other quality evaluation criteria).
- 3.7.2. Any deviation from the ratio in 3.7.1 ratio requires the Director of Procurement's approval in conjunction with the Chief Finance Officer, by submitting a waiver request.
- 3.7.3. All procurements conducted by the University and by those contracted by the University to act on their behalf will do so following the Government Buying Standards 'Mandatory' criteria, for further information contact the relevant Sourcing Manager.
- 3.7.4. All appropriate University policies and strategies are to be considered and included in tenders either within the scope or evaluation of tenders.
- 3.7.5. For contracts less than £150,000 consideration should be made to include Responsible Procurement outcomes.

### **3.8. External Frameworks (including Dynamic Purchasing Systems ("DPS"))**

- 3.8.1. Prior to using an external framework (including DPS) for the first time, Procurement & Commercial Services will undertake a due diligence assessment for using the

framework. Any frameworks (or DPS) that are approved following a recommendation from the Procurement Assurance Group, must be added to the University's Framework Register which is maintained by Procurement & Commercial Services. The Framework Register will be a publicly available document.

### 3.9. Access Agreements (including Dynamic Purchasing Systems)

- 3.9.1. Where use of a framework (or DPS) requires the University to sign an Access Agreement (or similar) with an external contracting authority, the agreement must be reviewed by Procurement & Commercial Services and be authorised by the Director of Procurement.
- 3.9.2. Mini competitions or call-offs, from frameworks (or DPS) shall be administered through Procurement & Commercial Services and conducted using [www.UCLanSourcing.com](http://www.UCLanSourcing.com).

### 3.10. Procurement Thresholds

- 3.10.1. The procurement thresholds determine the approach to be applied to all procurement activity before engaging the market via a tender process. Where procurements are considered to be high risk regardless of value, Procurement & Commercial Services should be consulted.

Estimated Total Contract Value	Key Points and Requirements	Sourcing Approach
Operational Low Value under £10,000	Obtain a minimum of one (1) quote	Email. Record of requirements and service levels to be issued in writing.
Operational - Less than £50,000	Request for Quote (RFQ) - invite a minimum of three (3) suppliers to quote.	Evidence of requesting and retention of quotes received to be retained for audit purposes.
Strategic - £50,000 and above	Procurement & Commercial Services must lead in all projects and use the Category Management process.	Mandatory use of the University's eSourcing Portal, <a href="#">UCLan eSourcing</a> for all procurements over £50k including both tendering and contracts management.

### 3.11. Waivers

- 3.11.1. Waivers of the Procurement Code will be as set out in the Financial Regulations.
- 3.11.2. The statutory provisions of the Public Contracts Regulations 2015 (EU Procurement Regulations) will be applied to all procurements by the University where applicable and in such cases cannot legally be waived.

### 3.12. Procurement Exemptions

3.12.1. In limited instances it is not necessary to seek a competitive tender or quotations; the list of approved exemptions to procurement is included in **Appendix 1**.

### 3.13. **Non-Compliance**

3.13.1. Waivers will not be granted retrospectively. Requests for retrospective waivers, where a commitment has been made to a provider of works/goods/services without appropriate approval, will be reported to VCG as part of a Quarterly Contract Review.

3.13.2. Proceeding with a non-compliant procurement without the appropriate approvals will be the responsibility of the member of staff involved and the relevant member of the VCG. Non-compliance identified by Procurement & Commercial Services or Internal Audit, will be reported to the VCG as part of a Quarterly Contract Review.

### 3.14. Contract Award Thresholds and Approval

3.14.1. The contract award threshold sets out the level of approval required by members of staff prior to proceeding with the award of a contract and the authorised member of staff able to execute a contract. When seeking approval for a contract award, staff must clearly state the contract term (which must include any provisions to extend).

<b>Total Contract Value</b>	<b>Contract Approval</b>	<b>Contract Execution</b>
Less than £50k	As per the Scheme of Delegated Financial Authorities in the Financial Regulations.	As per the Scheme of Delegated Financial Authorities in the Financial Regulations.
Strategic £50,000 +	As per the Scheme of Delegated Financial Authorities in the Financial Regulations.	The Director of Procurement on approval as per the Scheme of Delegated Financial Authorities in the Financial Regulations.
Strategic £150,000 +	As per the Scheme of Delegated Financial Authorities in the Financial Regulations on recommendation from the Procurement Assurance Group (Gate 2).	The Director of Procurement on approval as per the Scheme of Delegated Financial Authorities in the Financial Regulations following recommendation to approve from the Procurement Assurance Group (Gate 2)

3.14.2. Information relating to contracts may be commercially sensitive and members of staff must not communicate it directly or indirectly to other external suppliers.

3.14.3. The University does not enter into Memorandums of Understanding or issue Letters of Intent for procurement activity.

3.14.4. The University does not issue or operate under Voluntary Ex-Ante Transparency (VEAT) notices for procurement activity.

3.14.5. No goods will be delivered, nor works or services commence without a proper contractual commitment in place.

3.14.6. All contracts shall have a defined duration and provision(s) for extensions (if applicable) and termination. Contracts shall not have provision for automatic roll over or be allowed to exist in perpetuity.

3.14.7. Prior to entering into contracts with a total value over £50k, the supplier's financial information will be reviewed by Procurement & Commercial Services using the University's preferred credit check agency.



3.14.8. Prior to entering into contracts where the University is committing funds in advance of goods, works or services being delivered, the supplier's financial information will be reviewed by Procurement & Commercial Services using the University's preferred credit check agency.

3.14.9. The VCG will be sent a quarterly briefing note advising them of all contract awards for contracts of more than £50,000 in value.

### 3.15. **Contract Extensions and Variations**

3.15.1. Members of staff must consult Procurement & Commercial Services, on all proposed contract extensions or variations to, where applicable, ensure compliance with the PCR 2015 or CCS 2016. It should be noted that the extent of permitted variations is limited by law and require specific conditions to be fulfilled.

3.15.2. Exercising an option to extend or varying the terms of a contract may require the same approvals as the contract award, see item 0 appropriate to the total contract value over the life of the contract. This will depend on the specific factors and assessment of any potential risks concerning the proposed extension or variation.

- Minor variations which are not substantial and are permitted under the PCR 2015 (where applicable) and CCS 2016 may not require the same approval process as contract award; however, members of staff must notify Procurement & Commercial Services and seek approval as per the Financial Regulations as a minimum.
- Variations, extensions of contract or contract overspends that will account for an additional cost of 10% or more of the original contract value will require, as a minimum, the same approvals as the contract award.
- Members of staff will be responsible for ensuring that all extensions or variations are formally documented in accordance with the terms and conditions of the original contract.

### 3.16. **Contract Management**

3.16.1. Contract Management is the responsibility of the Faculty/School/Professional Services procuring the relevant goods, services and / or works, which includes ensuring a Contract Manager is identified and assigned for all contracts and for maintaining information within the University's eSourcing Portal, UCLan eSourcing <https://esourcing.uclan.ac.uk>

3.16.2. All Contract Managers are required to have attended the University's training course Managing Successful Contracts within the past 24 months and are required to follow the principles of the Contract Management Framework within 6 months of commencing a role where the member of staff is managing a contract.

3.16.3. All reporting and performance information is to be submitted to Procurement & Commercial Services on request. There are to be periodic reviews of contract performance by Procurement & Commercial Services.

3.16.4. Contract Managers will be responsible for monitoring contract performance and total contract spend over the full term of the contract, as well as ensuring that any variations are compliant with the PCR 2015 (where applicable) and item 3.15 above.

### 3.17. **Changes in identity of Suppliers**

3.17.1. Procurement & Commercial Services must be consulted on any requests for the assignment or novation of contracts to ensure compliance with the PCR 2015 (where applicable).

3.17.2. The remaining contract value shall be subject to the same approvals as per the original contract value and follow the approval process as 0

3.17.3. The supplier shall cover all costs arising from assignment/novation where this has been at the request of the supplier.

3.17.4. Where it is established that no assignment or novation has taken place but only a rebranding exercise following a company merger or acquisition, then a copy of the Change of Name Certificate must be provided to Procurement & Commercial Services and recorded against the relevant contract on the University's eSourcing Portal, UCLan eSourcing

[Visit the UCLan eSourcing Portal here](#)

### 3.18. **Document Retention**

3.18.1. All contract documentation for contracts with a total contract value of £50,000 and above including variations, novations must be uploaded into the University's Contract Register on UCLanSourcing.com

3.18.2. Deeds and sealed contracts must be placed with Legal and Governance once the documentation has been completed, and a copy uploaded into the University's Contract Register on UCLanSourcing.com by the Project Lead or Contract Manager (where appropriate).

3.18.3. Procurement & Commercial Services is responsible for maintaining a register of contracts and will keep records for all strategic purchases in accordance with the University Retention Schedule and Information Management Policy, from the date of final delivery or completion of the contract. A disposal log will also be maintained.

3.18.4. Legal and Governance is responsible for maintaining deeds and sealed contracts in their care, in accordance with the University Retention Schedule and Information Management Policy, from the date of final delivery or completion of the contract. A disposal log will also be maintained.

### 3.19. **Procure2Pay**

3.19.1. The Director of Procurement is responsible for Procure2Pay Policies in conjunction with the Director of Finance Operations.

### 3.20. **Purchase Orders**

3.20.1. All purchases require a valid purchase order to be raised within Business World.

### 3.21. **No PO No Pay**

3.21.1. The University operates a 'No PO No Pay' policy, as such in order for any invoice to be paid a valid purchase order must be on Business World and appropriately receipted.

### 3.22. **Prompt Payment Code**

3.22.1. In accordance with the Prompt Payment Code, the University aims to pay undisputed invoices that quote a valid purchase order number, within the terms agreed at in the relevant contract.

### 3.23. **Payment Cards**

#### 3.23.1. **Purchasing Cards**

The University has a 'Procurement Card Programme' for managing the acquisition of low value goods and services. As part of the Programme, the University provides Purchasing Cards to approved employees. Purchasing cards are to be used and administered in accordance with the Procurement Card Policy and any user guide.

#### 3.23.2. **Lodge Cards**

As part of the Procurement Card Programme detailed in 3.23 the University may use a payment card described as a "Lodge Card" to pay for services from a single supplier. Lodge Cards will be used and administered in accordance with the Procurement Card Policy.

#### 3.23.3. **Corporate Cards**

The University provides Corporate Cards for "frequent travellers". Corporate Cards are to be used and administered in accordance with the Corporate Card Policy and any user guide.

#### 3.23.4. **Payment Services**

The University uses additional Card Payment Services in addition to Procurement Cards and Corporate "expense" Cards. Further details of these additional Card Payment Services can be obtained from Procurement & Commercial Services.

## 4. APPENDIX 1

### 4.1. University Procurement Exemptions

There are instances where conducting a procurement under the Procurement Code would not represent best value, these circumstances are set out in the tables below and may be exempt from the full application of the requirements of the Procurement Code. Please note that if there is an identified Exemption, you do not need to seek a waiver of the Procurement Code.

Procurement & Commercial Services shall still be engaged for Strategic expenditure - £50,000 and above as per 2.3.6 and 3.10.1 even where there is a Discretionary Exemption set out at 4.1.1

Note that the examples of discretionary exemptions listed below are not necessarily exhaustive. Any use of these exemptions must be approved by Procurement & Commercial Services where stated below.

Staff must seek the advice of Procurement & Commercial Services to ensure that the correct process is followed when using a discretionary exemption.

#### 4.1.1. Discretionary Exemptions

<b>Exemption Number</b>	<b>Circumstance</b>	<b>Example</b>	<b>Approval Required</b>
D1	The University has no influence over the supplier selection	<ul style="list-style-type: none"> <li>• The procurement activity is grant funded (or the University is match funding) and the supplier is named as a condition of that funding.</li> <li>• Where it can be robustly demonstrated that there is only one supplier capable of providing the requirements of the University e.g.: Where software is being procured which must be compatible with</li> </ul>	<ul style="list-style-type: none"> <li>• Additional approval is required if above the EU threshold from Director of Procurement to confirm compliance with the Discretionary Exemption.</li> <li>• Additional approval required from Director of Procurement to confirm compliance with the Discretionary Exemption.</li> </ul>

		<p>an existing IS system thereby limiting the potential providers to the current software provider ONLY.</p> <ul style="list-style-type: none"> <li>• A subscription is to be paid for a service e.g. annual subscription.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional approval required from Director of Procurement to confirm compliance with the Discretionary Exemption.</li> </ul>
D2	<p>Where services need to be procured as a matter of extreme urgency and timescales do not allow for the prescribed procurement route set out in the Procurement Code to be fully followed. This would normally be within 7 day of the incident occurring.</p>	<p>Where an incident occurs, which has brought about the events that could not be foreseen by the University, such as a fire.</p>	<p>Additional approval not required.</p>

#### 4.1.2. Non-Discretionary Exemption

N1	Loans	Secured lending to fund the development of a new building.	Additional approval not required.
N2	Banking Services	Banking services including the provision of current and deposit accounts and related financial services.	Additional approval not required.
N3	Payment Card Services	Including but not exclusively Procurement Cards, Corporate "Expense" Cards and Lodge Cards.	Additional approval not required.
N4	International Recruitment	Overseas (non-EU) providers of international recruitment who are paid based on number of students accessing UCLAN graduate/post graduate courses.	Additional approval not required.
N5	Legal Counsel	Appointment of specialist legal counsel or advisors to provide advice on legal matters	Additional approval not required.

## 4.2. Definitions

Business World	<b>Business World</b> is the primary finance system used by the University for requisitioning through to goods receipting, invoice payment, budgeting and reporting.
Catalogue Management	<b>Catalogue Management</b> includes the development and management of content for catalogues in Business World. Catalogues provide product names, descriptions, price, supplier and other related detail to simplify the buying process.
Contracts Manager	The position of <b>Contracts Manager</b> holds responsibility for specific contracts and service delivery within the Faculty/School or Service including the ongoing relationships with suppliers of goods, works and services (including consultancy services).
Corporate Contracts	<b>Corporate Contracts</b> are contracts for commonly used goods, services and in some cases works that can be accessed by a broad range of Faculties / Schools and Services. The goods, service and works are based on the Universities agreed standards and should demonstrate good value for money.
Delegated Authority	<b>Delegation of Authority means</b> division of <b>authority</b> and powers downwards to a subordinate level as set out in the Financial Regulations. <b>Delegation</b> is about entrusting someone else to do parts of a job.
Dynamic Purchasing System (DPS)	A <b>Dynamic Purchasing System (DPS)</b> is a procedure available for contracts for goods, services and works commonly available on the market. <i>See Procurement &amp; Commercial Services for more guidance.</i>
External Framework	An <b>External Framework</b> is an agreement put in place with a provider or range of providers that enables buyers to place orders for services without running lengthy full tender processes.  Frameworks are based on large volume buying. Aggregating different buyers' potential needs means individual buyers can source services at lower prices, or with special added benefits and/or more advantageous conditions.

Mini Competitions (or Call Offs)	A <b>mini competition</b> is a process you need to carry out to place a call-off contract under a framework agreement where the best value supplier has not been specified. It allows you to further refine your requirement whilst retaining the benefits offered under the framework agreement.
Operational	<b>Operational</b> procurements include all procurement activity less than £50,000 including low value purchases which are less than £10,000.
Sourcing Manager	A <b>Sourcing Manager</b> is responsible for managing the sourcing of goods, services and works above £50,000 on behalf of the University.
Strategic	<b>Strategic</b> procurements include all procurement activity of £50,000 and above.
Tender Process	The <b>Tender Process</b> refers to the process whereby the University invites bids for the supply of goods, services and works, that must be submitted within a finite deadline.
Project Lead	A <b>Project Lead</b> is the accountable member of staff in the University leading a procurement on behalf of Faculties / Schools and Services who will work with a Sourcing Manager in Procurement & Commercial Services.
Value for Money (VFM) framework	The <b>VFM framework</b> is the overall operating model the University delivers value for money made up of the Procurement Strategy, Procurement Code, Responsible Procurement Code, Contracts Management Framework and other associated best practice policies and processes that the University adopts.